



IMPORTANT: This facsimile is intended only for the use of the individual or entity to which it is addressed. It may contain information that is privileged, confidential, or otherwise protected from disclosure under applicable law. If the reader of this transmission is not the intended recipient or the employee or agent responsible for delivering the transmission to the intended recipient, you are hereby notified that any dissemination, distribution, copying or use of this transmission or it's contents is strictly prohibited. If you have received this transmission in error, please notify us by telephoning and return the original transmission to us at the address given below.

FROM:

Department of Justice

Environment and Natural Resources Division

Environmental Enforcement Section P.O. Box 7611, Ben Franklin Station

Washington, DC 20044

Fax No.

Voice No.

(202) 616-6584

SENT BY:

TO:

FRANK BIROS CONNIE PUCHANSKI

FAX No.

312-884-0747

NUMBER OF PAGES SENT (INCLUDING COVER PAGE):

SPECIAL INSTRUCTIONS:

LAW DPPICES OF

BULLEN, MOILANEN, KLAASEN & SWAN, P.C.

TERRY NWORE NYDUE BOD

Ј**аскро**н, Міркіодан **4**020344**55** 5**42**7**5**7 **1**237

Lawrence L. Bullen Philip H., Roilanem Terry J., Klaaben Cavid W. Swan Bavid H. Black, Jq.

FAR (817) 760-8507

OF COUNSEL T. HARRISON STANTON

J. AGRIAN ROSENBURG (IGEG-IGAZI) YRANK C. PA(NTER (IDGS-IS78)

Telecopier FAX (517) 788-8507

		DATE: 2/11/99
Please de	eliver the following page(s) to:	- .
NAME: _F	Frank Biros	
FAX NO:	202-616-6584	
FROM: _	Philip M. Moilanen	
TIME:	2:30 PM	
Total Nun	mber of Pages 14 including cover letter.	
	DO NOT RECEIVE ALL OF THE PAGES, PLEASE LE. (517) 788-8500,	CALL US AS SOON AS
FAX Ope	erator: Marlene Zwitter	
SPECIAL	_ INSTRUCTIONS/MEMO;	

Following are declaration pages and exceptions of the two CDC Associates Title Insurance policies.

PMM

INNERS POLICY & 2351080970005834



03/18/98

CDC ASSOCIATES, INC. ATTN: 402 S. BROWN STREET JACKSON, MI 49203

Enclosed herein is an owner's policy (13-062502) issued by TICOR TITLE INSURANCE COMPANY.

This policy is a valuable document and should be retained with your other valuable records.

Please remember to specify THE TITLE OFFICE on your next sale or refinancing for aid and assistance. Substantial discounts are available through our organization on these subsequent transactions.

Thank you for your business.

Sincerely yours,

THE TITLE OFFICE, INC. 65 EAST COLUMBIA AVENUE BATTLE CREEK, MI 49015 PHONE: 616-964-7185 PAX: 616-964-4653

CDC ASSOCIATES, INC. ATTN: 402 S. BROWN STREET JACKSON, MI 49203

TICOR TITLE INSURANCE

23 5108 097 00005834

Residential Title Insurance Policy One-To-Four Family Residences

OWNER'S COVERAGE STATEMENT

This Policy insures your title to the land described in Schedule A-if that land is a oneto-four family residential lot or condominium

Your Insurance, as described in this Coverage Statement, is effective on the Policy Date shown in Schedule A.

Your insurance is limited by the following:

. EXCLUSIONS on page two

- EXCEPTIONS in Schedule 8
- CONDITIONS on pages two and three We insure you against actual loss resulting
- · Title risks covered by this Policy to the Policy Amount, and
- · Costs, attorneys' fees and expenses we have to pay under this Policy.

COVERED TITLE RISKS

This Palicy covers the following title risks. If they affect your title on the Policy Date.

- 1. Someone else owns an interest in your title.
- 2. A document is not properly signed, sealed, acknowledged, or delivered.
- 3. Forgary, fraud, durass, incompetency, incapacity or impersonation.
- Defective recording of any document.
 You do not have any legal right of access to and from the land.
- 6. Your title is unmarketable, which allows another person to refuse to perform a contract to purchase, to lease or to make a mortgage loan.
- 7. Other defects, liens, or encumbrances.

COMPANY'S DUTY TO DEFEND **AGAINST COURT** CASES

We will defend your title in any court case as to that part of the case that is based on a Covered Title Risk insured against by this Policy. We will pay the costs, attorneys' fees, and expenses we incur in that defense.

We can end this duty to defend your title by exercising any of our options listed in item 4 of the Condtions.

This Policy is Not Complete Without Schedules A & B.

Issued by: THE TITLE OFFICE, INC. 220 HOOVER BOULEVARD, SUITE 2 HOLLAND, MI 49423 (616) 394-4343

This Policy is not valid or binding until an authorized signatory of the Company has countersigned below.

Authorized Signatory

TO 3105 RESIDENTIAL OWNER'S POLICY (MICHIGAN)

Reprider Form No. 1324

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection
- 2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

- 3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
 - . that result in no loss to you
 - . that first affect your title after the Policy Date
- 4. Failure to pay value for your title.
- 5. Lack of a Alight:
 - to any land outside the area specifically described and referred to in item 3 of Schedule A, or
 - in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Coverad Title Risks.

CONDITIONS

1. DEFINITIONS

Essament-the right of someone else to use your land for a special purpose.

Land-the land or condominium unit described in Schedule A and any improvements on the land which are real property.

Mortgage-a margage, deed of trust, trust deed or other security instrument.

Public Records-title records that give constructive notice of matters affecting your title-according to the statutes where your land is located.

Title-the ownership of your interest in the land, as shown in Schedule A.

2. CONTINUATION OF COVERAGE

This Policy protects you at long as you:

- · own your little, or
- own a mortgage from anyone who buys your land, or
- · are liable for any title warranties you make

This Policy protects anyone who receives your title because of your death,

3. HOW TO MAKE A CLAIM

You Must Give The Company Notice of Your Claim if anyone claims a right against your insured title, you must notify us promptly in writing. Send the notice to:

Tipor Title insurance Company Claims Department P. O. Box 2233 Los Angeles, California 90051

Please include the Policy number shown in Schedulo A, and the county and state where the land is located.

Our abligation to you could be reduced it:

- · you fall to give prompt notice, and
- your failure affects our ability to dispose of or to defend you against the claim

Proof of Your Loss Must Be Given To The Company

You must give us a written statement to prove your cisim of loss. This statement must be given to us not later than 90 days after you know the facts which will let you establish the smount of your loss.

The statement must have the following facts:

- the Covered Title Risks which resulted in your loss
- the dollar amount of your loss
- the method you used to compute the amount of your loss

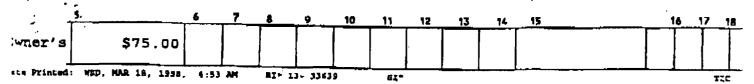
You may want to provide us with an appraisal of your loss by a professional appraisar as a part of your statement of loss.

We may require you to show us your records, checks, letters, contracts, and other papers which relate to your claim of loss. We may make copies of these papers.

We may require you to answer questions under oath.

Our obligation to you could be reduced if you fail or refuse to:

- provide a statement of loss, or
- answer our questions under eath, or
- . show us the papers we request, and
- your failure or refusal affects our ability to dispose of or to defend you against the claim.



SCHEDULE A

1. Office file number .3 - 62502

1. Policy number 23510809700005834

November 25, 1997 at 8:00 am 4. Amount of insurance \$25,000.00

Hame of Insured:

CDC ASSOCIATES, INC., A MICHIGAN CORPORATION

The estate or interest in the land which is covered by this policy is:

FEE SIMPLE

Title to the estate of interest in the land is wested in the insured.
The land herein described is encumbered by the following morrogage or trust deed, and essignments:

and the mortgages or trust deeds, if any, shown in Schedule B harmof,

The land referred to in this policy is located in SHERIPAN TOWNSHIP, Calhoun County, State of Michigan, and is described as follows:

THE SOUTH 1287 FEET OF LOT 25, OF THE SUPERVISOR'S PLAT OF SECTION 36, TOWN 2 SOUTH OF RANGE 4 WEST, SHERIDAN TOWNSHIP, CALHOUN COUNTY, MICHIGAN, ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 9-A OF PLATS, ON PAGES 7, 8, 9, 10, IN THE OFFICE OF THE REGISTER OF DEEDS FOR CALHOUN COUNTY, MICHIGAN.

SUBJECT TO THE RIGHTS OF THE PUBLIC AND OF ANY GOVERNMENTAL UNIT IN ANY PART THEREOF TAKEN, USED OR DEEDED FOR STREET, ROAD OR HIGHWAY PURPOSES.

TAX ROLL NUMBER: 13-019-362-033-00 (COVERS MORE LAND)

This Policy velid only if Schedule h is attached.

TO RHED THIS THOSE THOSE

TIC

POLICY NO. 23310509700995934 File Number: 13- 62502

SCHEDULE B Exceptions From Coverage

is policy does not insure squinst loss or dammys (and the Company will not pay deste, accorneys' fees or expenses) which trisquescon of:

meral Exceptions:

- 1. Rights or claims of parties in possession not shown by the public records.
- Introdeliments, everlaps, boundary line disputes, and thy other matters which would be displayed by an accurate survey and inspection of the premises.
- Sestimate or claims of easements not shown by the public records and existing water, mineral, oil and expleration rights.
- Any lies. Or right to a limit for services, labor, or naterials heretofore or hereafter furnished, imposed by law 454 act shows by the public specific.
- 5. Texes or special assuments which are not shown as existing liens by the public resords.
- f. Restrictions upon the use of the premises not appearing to the chain of title.
- sacial Exceptions; The Mortgage, if any, referred to in item 4 of Schedule A.
- . UNPAID WATER, SEWER, ELECTRIC OR GAS CHARGES, IF ANY.
- RIGHTS OF THE PUBLIC AND OF ANY GOVERNMENTAL UNIT IN ANY PART THEREOF TAKEN, USED OR DEEDED FOR STREET, ROAD OR HIGHWAY PURPOSES.
 - NO LIABILITY IS ASSUMED BY THE COMPANY FOR TAX INCREASE OCCASIONED BY RETROACTIVE REVALUATION OR CHANGE IN THE LAND USAGE OR LOSS OF ANY HOMESTEAD EXEMPTION (0%) STATUS FOR THE INSURED PREMISES.
 - LOSS OR DAMAGE SUSTAINED AS A RESULT OF ANY DISCREPANCY BETWEEN THE "ASSESSED DESCRIPTION" AND THE "LEGAL DESCRIPTION" SET FORTH IN SAID FOLICY.
 - TAXES AND ASSESSMENTS WHICH BECOME DUE AND PAYABLE AFTER THE POLICY DATE, INCLUDING TAXES OR ASSESSMENTS WHICH MAY BE ADDED TO THE TAX ROLLS OR TAX BILL AFTER THE POLICY DATE AS A RESULT OF THE TAXING AUTHORITY DISALLOWING OR REVISING AN ALLOWANCE OF A TAX EXEMPT STATUS.

THE TITLE OFFICE, INC. 65 EAST COLUMBIA AVENUE BATTLE GREEK, MI 49015 PHONE: 616-964-7185 FAE: 616-964-4653

Beth & April Signatury

Schedule B of this Policy consists of 1 page(s).

re Schedule R

Arbitration

Table of Contents

	PAGE
_ 0	WNER'S COVERAGE STATEMENT1
) }	OVERED TITLE RISKS1
	COMPANY'S DUTY TO DEFEND AGAINST COURT CASES1
; } \$	CHEDULE AINSERT
1	olicy Number, Dale and Amount . Name of Insured
2 2 1 3	Interest in Land Covered Oescription of the Land
7	CHEDULE B-EXCEPTIONSINSERT
1) Z E I	EXCLUSIONS2
	CONDITIONS
1 3 7 –	How To Make A Claim
ا 4 ح 5 ح	Our Choices When You Notify Us of a Claim Handling a Claim or Court Case Limitation of the Company's Liability
۹ 6	Limitation of the Company's Liability

Owner's Information Sheet

Your Title Insurance Policy is a legal contract between you and Ticor Title Insurance Company.

It applies only to a one-to-four family residential lot or condominium unit, if your land is not either of these, contact us immediately.

The policy insures you against certain risks to your land little. These risks are fisted on page one of the Policy. The Policy is limited by:

- Exclusions on page two.
- · Exceptions on Schedule B.
- · Conditions on pages two and three.

You should keep the Policy even if you transfer the title to your land.

If you want to make a claim, see item 3 under Conditions on page two.

You do not owe any more premiums for the Policy.

This sheet is not your insurance Policy. It is only a brief outline of some of the important Policy features. The Policy explains in detail your rights and obligations and our rights and obligations. Since the Policy-and not this sheet is the legal document. YOU SHOULD READ THE POLICY VERY CAREFULLY.

If you have any questions about your Policy, contact

Ticor Title Insurance Company

ITTLE INSURANCE

Residential

Title

Insurance

Policy

Ticar Title Insurance Company

CONDITIONS

4. OUR CHOICES WHEN YOU NOTIFY US OF A CLAIM

After we receive your claim notice or in any other way learn of a matter for which we are liable, we can do one or more of the following:

- a. Pay the claim against your title.
- b. Negotiate a sattlement.
- c. Prosecute or defend a court case related to the claim.
- d. Pay the amount required by this Polley.
- 8. Take other action which will protect you
- f. Cancel this Policy by paying the Policy Amount, then in force, and only those costs, attorneys' fees and expenses incurred up to that time which we are obligated to pay.

5. HANDLING A CLAIM OR COURT CASE

You must cooperate with us in handling any claim or court case and give us all relevant information.

We are required to repay you only for those settlement costs. attorneys' fees and expenses that we approve in advance,

When we defend your title, we have a right to choose the attorney. We can appeal any decision to the highest coun. We do not have to pay your claim until your case is finally decided,

8. LIMITATION OF THE COMPANY'S LIABILITY

We will pay up to your actual loss or the Policy Amount in force when the claim is made-whichever is less,

If we remove the claim against your title within a reasonable time after receiving notice of it, we will have no further liability for it.

if you cannot use any of your land because of a claim against your title, and you rent reasonable substitute land or facilities, we will repay you for your actual rent until:

- the cause of the claim is removed, or
- · we settle your claim

The Policy Amount will be reduced by all payments made under this Policy except for costs, attorneys' fees and expenses.

The Policy Amount will be reduced by any amount we pay to our insured holder of any mortgage shown in this Policy or a later mongage given by you.

If you do anything to affect any right of recovery you may have. we can subtract from our flability the amount by which you reduced the value of that right.

7. TRANSFER OF YOUR RIGHTS

When we settle a claim, we have all the rights you had against any person or property related to the claim. You must transfer these rights to us when we ask, and you must not do anything to affect these rights. You must let us use your name in enforcing these rights.

We will not be liable to you if we do not pursue these rights or if we do not recover any amount that might be recoverable.

With the makey we recover from enforcing these rights, we will pay whatever part of your loss we have not paid. We have a right to keep what is left.

8. ARSITRATION

If it is permitted in your state, you or the Company may demand arbitration.

The arbitration shall be binding on both you and the Company. The arbitration shall decide any matter in dispute between you and the Company.

The arbitration award may:

- Include attorneys' fees if allowed by state law
- be entered as a judgment in the proper court.

The arbitration shall be under the Title Insurance Arbitration Rules of the American Arbitration Association. You may choose current Rules or Rules in existence on Policy Date.

The law used in the arbitration is the law of the place where the property is located.

You can get a copy of the Rules from the Company.

8. OUR LIABILITY IS LIMITED TO THIS POLICY

This Policy, plus any andorsements, is the entire contract between you and the Company. Any claim you make against us must be made under this Policy and is subject to its terms.

TICOR TITLE INSURANCE COMPANY

By Ball Holle President
Attest James B. Clerce Secretary



602 Capital Ave., 6.W., Suite 2 Battle Creek, Minhigen 48015 Faq: (618) 985-0032 Phone: (818) 985-2313

First American Title Insurance Company

October 15, 1998

To CDC Associates, Inc.,

Enclosed please find your Owner's Policy of title insurance covering the land described therein.

For reference and security purpose, the Policy should be kept with the other documents from this transaction.

We appreciate the opportunity to serve you in this most important matter and, since we now have a unique file on your property, are able to provide you with expedited service at the lowest possible re-issue rates in the future. Please remember to call on us at such time as you might sell or refinance the property.

Thank you for selecting First American Title Insurance Company for this and all your real estate title needs.

Sincerely,

THE DECLIE OF

FIRST AMERICAN TITLE INSURANCE COMPANY



POLICY OF TITLE INSURANCE



Policy No. OP 5702195

First American Title Insurance Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

- 1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
- 2. Any defect in or lien or encumbrance on the title:
- 3. Unmarketability of the title;
- 4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

First American Title Insurance Company

BY Farker S. Kennedy

PRESIDENT

ATTEST Mark & america,

SECRETARY

COUNTERSIGNED BY:

lerie

ALTA OWNER'S POLICY

File No: 13-43967

SCHEDULE A

Amount of Insurance

Date of Policy

Policy No.

\$ 80,000.00

March 20, 1998 at 4:00PM

OP 5702185

1. NAME OF INSURED:

CDC Associates, Inc., a Michigan corporation

The estate or interest in the land which is covered by this policy is:

FEE SIMPLE

3. This to the estate or interest in the land is vested in:

CDC Associates, Inc., a Michigan corporation

 The land referred to in this policy is situated in the Township of Sheridan, County of Calhoun, State of Michigan, is described as follows:

PARCEL NO. 1:

A parcel being a portion of Lot No. 28 of SUPERVISOR'S PLAT OF SECTION 36, TOWN 2 SQUTH, RANGE 4 WEST, according to the Plat thereof recorded in Liber 9A of Plats, on page 7, in the Office of the Register of Deeds for Calhoun County, Michigan, specifically described as: Commencing at the Southeast corner of said Lot 28; thence North along said East Lot line of said Lot 28, a distance of 720 feat for the point of beginning of this description: thence South 720 feet along said East Lot line, to the Southeast corner of said Lot; thence Westerly along the South Lot line of Lot 28, a distance of 389.3 feet; thence Northerly a distance of 350 feet, parallel to the East Lot line of said Lot 28; thence Easterly parallel to the North Lot line of said Lot 28; to a point 200 feet Westerly of the East Lot line of said Lot 28; thence Northarly to a point 200 feet West of the point of beginning of this description; said point being on a line parallel with the North Lot line of said Lot 28; thence Easterly 200 feet parallel to the North Lot line of Lot 28, to the point of beginning of this description.

PARCEL NO. 2:

Part of Lot No. 28 of SUPERVISOR'S PLAT OF SECTION 36, TOWN 2 SOUTH, RANGE 4 WEST, according to the Plat thereof recorded in Liber 8A of Plats, on page 7, in the Office of the Register of Deeds for Calhoun County, Michigan, described as: Commencing at the Southwest corner of Lot 28 of said Supervisor's Plat of Section 36, Town 2 South, Range 4 West; thence North 250 feet along the West line of said Lot 28; thence East 300 feet; thence South to the South line of said Lot 28; thence Westerly along the South line of said Lot 28, to the point of beginning.

4....

ALTA POLICY

Policy No. OP 5702185

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- 1. Any discrepancies or conflicts in boundary lines, any shortages in area, or any encreachment or overlapping of improvements.
- 2. Any facts, rights, interests or claims which are not shown by the public record but which could be ascertained by an accurate survey of the land or by making inquiry of persons in possession thereof.
- 3. Essements, liens or encumbrance or claims thereof, which are not shown by the public record.
- 4. Any ilen or right to lien for services, labor or material imposed by law and not shown by the public record.
- 5. Oil and Gas Isase between Gordon D. Stevick and Marguerite Stevick, husband and wife, lessor, and PPG Oil and Gas Co., inc., lessee, dated October 17, 1986 and recorded September 2, 1987 in Liber 1426 on page 252, Calhoun Coumy Records and all subsequent assignments and conveyances thereof. Said lease contains a primary term of 5 years and shall extend as long thereafter as operations are conducted upon said land, with no cessation for more than 90 consecutive days.
- 5. Taxes and assessments which become due and payable after the Policy Date, including taxes or assessments which may be added to the tax rolls or tax bill after the Policy Date as a result of the taxing authority disallowing or revising an allowance of tax exempt status.

Tex Roll #13-19-352-045-10

Tax Roll #13-19-362-045-20

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- 1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting. regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect. lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims or other matters; (a) created, suffered, assumed or agreed to by the insured cisimant;

not known to the Company, not recorded in the public records at Date of Policy, but known to the Insured claiment and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or

- resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- 4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

(a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer or;

the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:

(i) to timely record the instrument of transfer; or

(ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the names insured by operation of law as distinguished from

purchase including but not limited to, heirs, distributees, deviceds, survivors, personal representatives, next of kin, or corporate or liduciary successors.
(b) "insured claimant": an insured claiming loas or

(c) "knowledge" or "known"; actual knowledge, not constructive knowledge or rotice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of metters affecting the land.

(d) "land": the land described or falerred to in Schedule (A), and improvements altitud therets which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easument in abutting streets, roads, evenues, alleys, tanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by

1. DEPINITION OF TERMS.

to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other scourity instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive police of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall ascinctude environmental protection liens filled in the records of the clority of the land is located. the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A le be released from the obligation to purchase by virtue of a contractual condition

regulring the delivery of marketable (Itle.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date

the basis of loss or damage and shall state, to the extent possi-ble, the basis of calculating the amount of the loss or damage, if the Company is projudiced by the fallure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, pres-scute, or continue any litigation, with regard to the matter or

matters requiring such proof of loss of damage.

In addition, the insured claiment may reasonably be required to submit to examination under path by any authorized representative of the Company and shall produce for examinarepresentative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ladgers, checks, correspondence and memorands, whether hearing a date before or eller Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured elemant shall grant its permission, in writing, for any authorized representative of the Company to examine, hisport and copy all records, books, ledders, checks, covered on the company to examine, hisport and copy all records, books, ledgers, checks, correspondence and memoranda in the cuslodgers, creases, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the base or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to extend for examination under outh, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this self-or a that desired in the company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

in case of a claim under this policy, the Company shall have

the following additional options:
(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or lander payment of the amount of insurance under this paicy together with any costs, alloways' feat and expenses incurred by the issured claimant, which were authorized by the Company, up to the time of payment of rester of payment and which the Company is obligated to pay.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction. and disposition of all appeals therefrom, adverse to the title as insured

(c) The Company shall not be liable for loss or demage to any insured for liability voluntarily assumed by the insured in settling any claim of sult without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, automorps' fees and expenses, shall reduce the amount of the insurance pro lanto,

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Com-pany may pay under any policy insuring a mortgage to which exception is taken in Echedule 8 or to which the insured has agreed, assumed, or taken subject, or which is heresfler executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be turnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damega true been definitely fixed in accordance with these Conditions and 8tipulations, the loss or damage shall be payable within

30 days thereafter.

12. BUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subregation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subregation shall vest in the Company unaffected by any act of the insured claimant.

ness, secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in layor of any purchaser from the insured of either (i) an untate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage ven to the insured

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set torth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the call of this interest which is savered to the title to the collection of the cause loss or charge for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the marker or matters for which interest professions and the company of the pany shall terminate with regard to the matter or matter and which prompt notice is required, provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the orendice

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE.

Can plan written request by the insured and subject to the options contained in Section 5 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shell provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lian or encumbrance or either nature dagment by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable pause) to represent the insured to object for reasonable pause) to represent the liable for and will not pay the less of action and shall not be liable for and will not pay the less of any other counsel. The Company will not pay any tens, casts or expenses incurred by the insured in the defense of those causes of action which allege matters not instruce against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or processing or to do any

allege matters not instreed against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or processing or to do any other act which in its opinion may be necessary or destrable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whicher or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Wherever the Company shall have brought an action or interposed a delense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to presecute or provide for the delense of any action or proceeding, the insured shall secure to the Company the right to se presecute or provide delense in the action or proceeding, and all appeals therein, and permit the Company the use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company in paragraph, and (ii) in any other lawful act which in the opinion of the Company may be necessary or destrable to establish the title to the estate or interest as insured. If the Company is projudiced by the Company is obligation to delend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

in addition to and after the notices required under Section 3 of these Conditions and Brigulations have been provided the Company, a proof of loss or damage signed and sworm to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes make the payment required, shall terminate, including any ilability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the insured or With the insured Claimant.

insured or With the insured Claimant.

(i) to pay or otherwise settle with other parties for or in the hame of an insured claimant any claim insured against under this policy, together with any costs, attorneys' less and expenses incurred by the insured claimant which were subnized by the Company up to the three of payment and which the Company is obligated to pay; or which the Company is obligated to pay; or the three of the description of the boss of damage provided for under this policy, together with any costs, attorneys' less and expenses incurred by the later of the damage with more subnized by the Company in the contract of the state of the subnized by the contract of the contract of the subnized by the contract of the contract of the subnized by th

insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated

to pay.

Upon the exercise by the Company of either of the options

Living of the Company's obtiprovided for in paragraphs (b)(i) or (ii), the Company's obli-gations to the insured under this policy for the claimed loss or gallons to the insured under this policy for the cramed was or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, pros-ecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein

(a) The liability of the Company under this policy shall

not exceed the least of

(f) the Amount of Insurance stated in Schedule A; or, (ii) the difference between the value of the Insured extate or interest as insured and the value of the Insured estate or interest subject to the defect, than or encumbrance

insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the Insured estate or interest or the full consideration paid for the land, whichever is tess, or if subsequent to the Date

paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is eracted on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of insurence stated in Schedule A, then this Policy is subject to the following:

(I) where no subsequent improvement has been made, as to any partial lose, the Company shall only pay the loss pro retain the proportion that the amount of insurence at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro-rate in the proportion that 120 parcent of the Amount of insurence stated in Schedule A bears to the sum of the Amount of insurence stated in Schedule A bears to the sum of the Amount of insurence stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to coats, attorneys less and expenses for which the Company is liable under this policy, and shall only apply to that portion of any

under this policy, and shall only apply to that portion of any

fores which exceeds, in the aggregate, 10 percent of the Amount of insurance stated in Schoolie A.

(c) The Company will pay only those costs, altomays fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule (AKC) consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the perceis but not all, the estaplanes arecting one or more of the parcels but not all, the loss shall be computed and settled on a prorate basis as if the amount of insurance under this policy was divided prorate as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the lasuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien of ancumbrance, or cures the tack of a right of access to or from the land, or cures the claim of unmarket-ability of title, all as insured, in a reasonably diligent manner by any method, including illigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss of damage caused thereby. new against ally person w property in respect; in the training that this policy not been issued. If requested by the Company, the treared claiment shall transfer to the Company all rights and remedies against any person or property increases any in order to perfect this right of subrogation. The insured claiment shall permit the Company to suc, compromise of settie in the name of the insured claiment and to use the name of the insured claiment and to use the name of the insured claiment in any transaction or tiligation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be sub-rogated to these rights and remedies in the proportion which the Company's payment bears to the wrote amount of

the lass.

the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not yeld this policy, but the Company, in that event, shall be required to pay only that part of any loss a insured against by this policy which shall part of any loss a insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against con-Insured

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limita-tion, the rights of the insured to indemnitiae guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in these instruments which provide for subrogation rights by reason of this policy,

14. ARBITRATION (pided not apply in State of Missouri)

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to tempany or the insured may demand arbitration pursuant to the Title insurance Arbitration Rules of the American Arbitration Adsociation. Arbitrable matters may include, but are not limited to, any controversy of claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other ebildation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the the Company of the insured. All structures when the Amount of insurence is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the damaged for arbitration is made. Rules in effect on the date the demand or afformation is made or, at the option of the insured, the flutes in effect at Date of Policy shall be binding upon the parties. The award may include alternays' feed only if the laws of the state in which the land is located permit a court to sward alternays' fees to a prevailing party, Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having juris-

diction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company, in interpreting any provision of this policy, this policy shall be construed as

whole.

(b) Any claim of loss or demage, whather or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or andorsement to this policy.

can be made except by a writing endorsed fursion or attached fareto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating efficer or authorized signatory of the Company.

18. REVERABILITY.

In the event any provision of the policy is held invalig or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at 1850 West Big Beaver Road. P.O. Box 1289. Troy. Michigan 48099.